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June 27, 1997

**RECEIVED**

**JUN 27 1997**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

Mr. William F. Caton  
Acting Secretary  
Federal Communication Commission  
1919 M Street, NW-Room 222  
Washington, DC 20554

Re: Ex Parte Presentation in CC Docket No. 97-137

Dear Mr. Caton:

Yesterday, June 26, 1997, Mark Haddad and Jack Buresh, of Sidley and Austin, Leonard Cali, Susan Bryant, Joan Marsh, Michael Pfau, and I, all representing AT&T, met with Carol Matthey, Don Stockdale, David Ellen, Melissa Waksman, Jordan Goldstein, Brent Olson, Rob Tanner, Sarah Whitesell, and Anu Seam, all with the Common Carrier Bureau, and Tom Koutsky of the Office of General Counsel, to discuss AT&T's comments in the above-referenced proceeding. Specifically, we discussed the issues raised in AT&T's brief and the operations support systems issues raised in the affidavits of Timothy Connolly, Susan Bryant and Michael Pfau. The attached documents were used in our presentation and are submitted upon Staff's request.

Because the meeting was held late in the day, two copies of this letter and the attachments are being submitted on the following business day to the Secretary of the Federal Communications Commission in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,

A handwritten signature in cursive script that reads "Judith Argentieri" followed by a small "ada" or similar mark.

Attachments

cc: Carol Matthey  
Melissa Waksman  
Jordan Goldstein  
Tom Koutsky

Brent Olson  
Rob Tanner  
Sarah Whitesell  
David Ellen

Anu Seam  
Don Stockdale

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**APPENDIX TO COMMENTS OF AT&T CORP.  
IN OPPOSITION TO AMERITECH'S  
SECTION 271 APPLICATION**

<b>TAB</b>	<b>AFFIDAVIT</b>	<b>SUBJECT(S) COVERED</b>
A	Steven R. Allen and Dean A. Gropper	Ameritech's Ability to Discriminate Against IXC's and CLECs
B	William J. Baumol	Public Interest
C	B. Douglas Bernheim Janusz A. Ordoover Robert D. Willig	Public Interest
D	Robert H. Bork	Public Interest
E	Susan L. Z. Bryant	Operations Support Systems
F	Timothy M. Connolly	Operations Support Systems
G	Nicholas S. Economides and John W. Mayo	Public Interest
H	Judith D. Evans	Interim Number Portability
I	Robert V. Falcone and Maureen E. Gerson	Unbundled Network Elements-Platform
J	Robert V. Falcone and Robert A. Sherry	Unbundled Network Elements
K	James F. Henson	Pricing
L	R. Glenn Hubbard and William H. Lehr	Public Interest
M	Rhonda J. Johnson	Implementation
N	William G. Lester	Poles, Ducts, Conduits, Rights-of-Way
O	Lila K. McClelland and Douglas K. Goodrich	Separate Subsidiary Requirements
P	Jane Medlin	AT&T Market Entry
Q	C. Michael Pfau	Nondiscriminatory Access to Operations Support Systems
R	Peter K. Pitsch	Public Interest
S	John J. Puljung	Ameritech's Response to Competition
T	Michael Starkey	Local Competition

DUCKET FILE COPY ORIGINAL

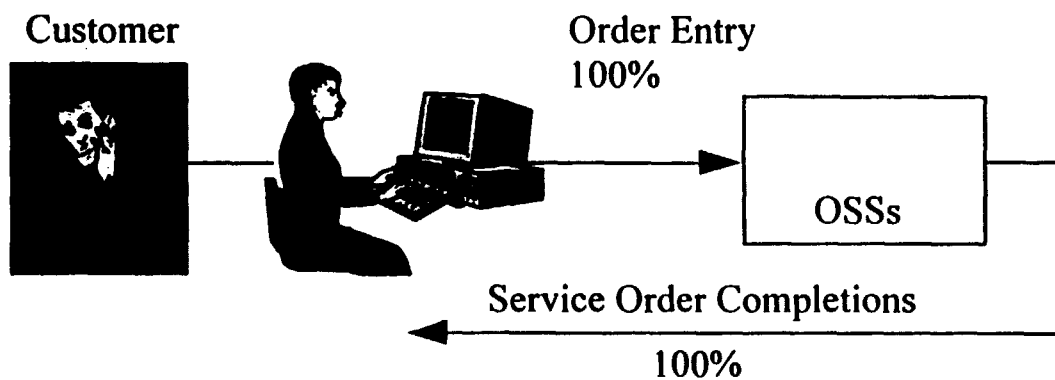
**AMERITECH'S OPERATIONS SUPPORT SYSTEMS  
ARE NOT OPERATIONALLY READY  
TO SUPPORT COMPETITIVE CLEC ACTIVITIES**

**AND**

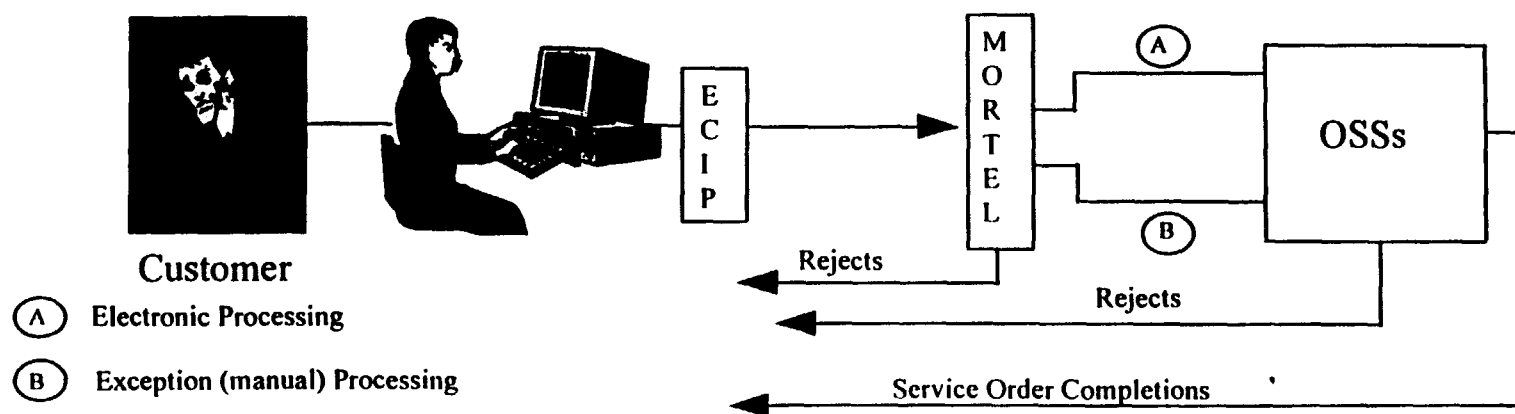
**ARE NOT PROVIDING ACCESS IN A  
NON-DISCRIMINATORY MANNER**

## High Level Process Flow Chart

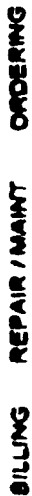
ILEC



AT&T's Experience with TSR in Michigan

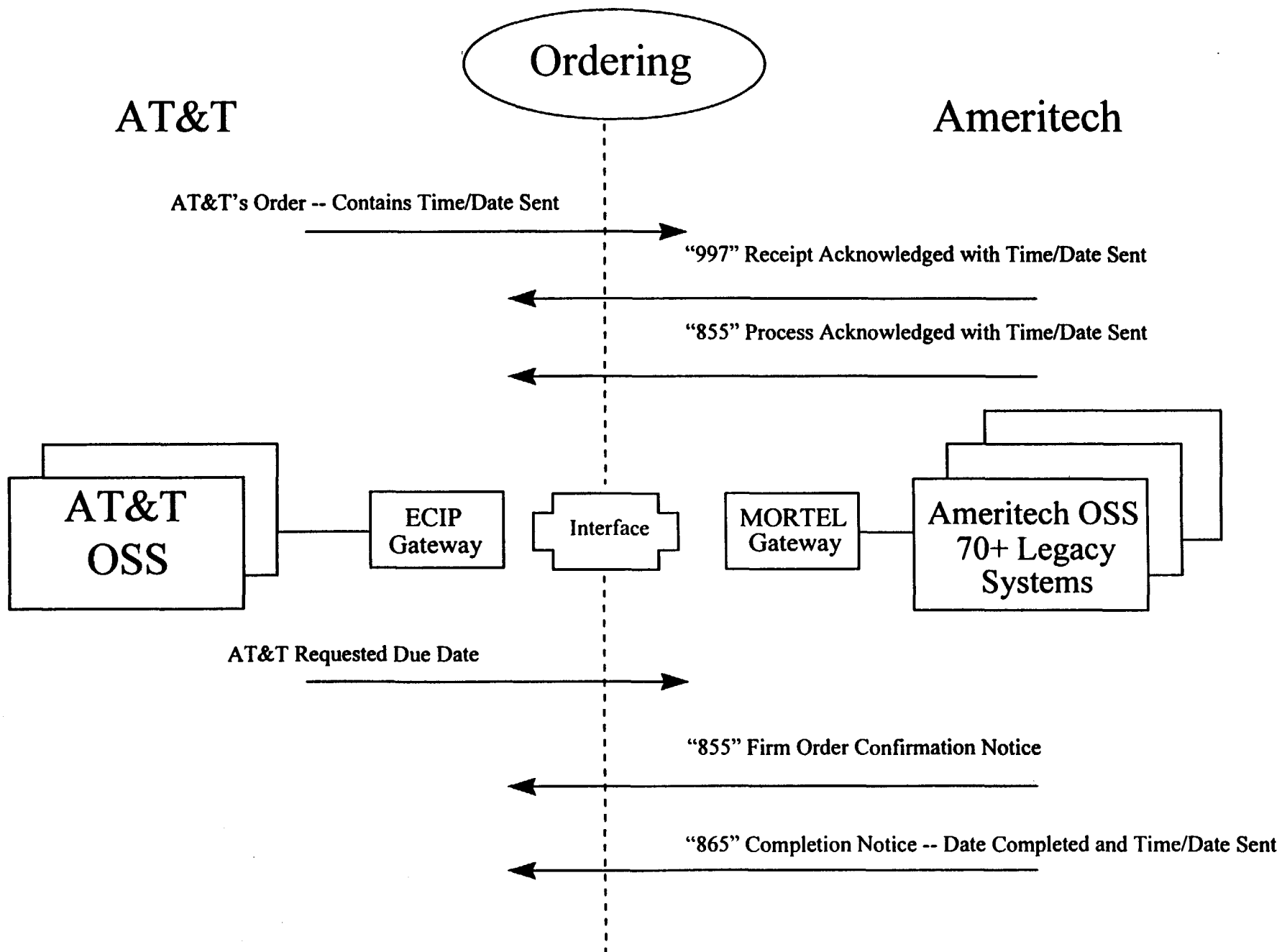


**REFORMING**



# MPSC CONSULTATION

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# **AMERITECH'S OPERATIONS SUPPORT SYSTEMS ARE NOT OPERATIONALLY READY TO SUPPORT COMPETITIVE CLEC ACTIVITIES**

## **DELAYS IN PROCESSING AND PROVISIONING**

- FAILURE TO MEET STANDARD INTERVALS  
[Aff. ¶ 76-82; Att. 14, 15, 17, 18, 21]
- UNILATERAL MODIFICATION OF DUE DATES  
[Aff. ¶ 87-90; Att. 23, 24]
- FAILURE TO PROVIDE TIMELY EDI TRANSACTIONS  
[Late 855s: Aff. ¶ 106-116; Att. 27]  
[Late 865s: Aff. ¶ 117-123; Att. 30, 31]
- PAST DUE ORDERS [Aff. ¶ 83]
- AT&T ORDER VOL. WELL WITHIN CAPACITY CLAIMS  
[Att. 25]

## **HEAVY RELIANCE ON MANUAL PROCESSING**

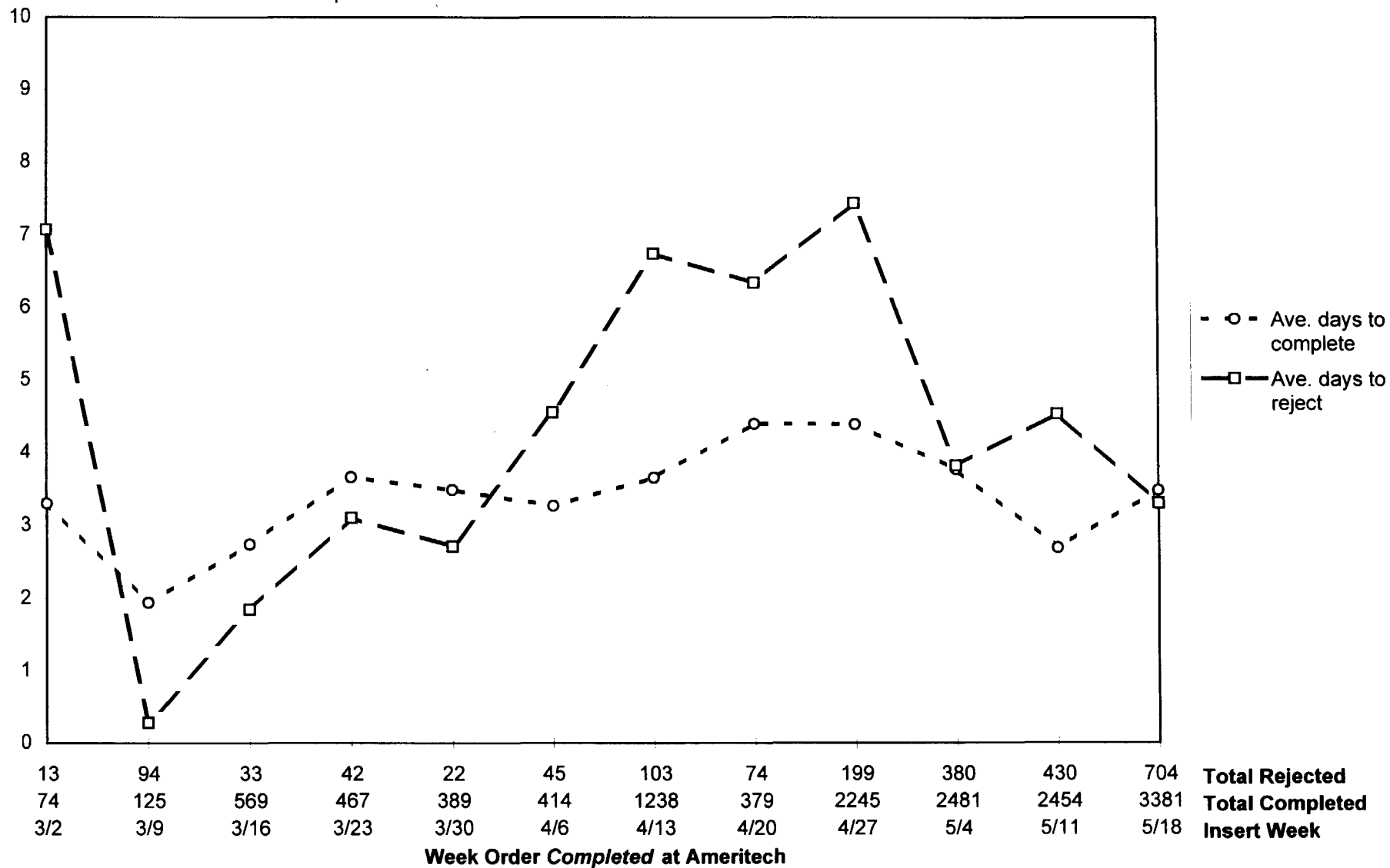
- FAILURE TO AUTOMATE ORDER PROCESSING  
[Aff. ¶ 133-39; Connolly Aff. ¶ 128-38]
- FAILURE TO INTEGRATE INTERFACES WITH  
“DOWN-STREAM” PROCESSING SYSTEMS  
[Connolly Aff. ¶ 74-80, 122-127]
- MANUAL PROCESSING CAUSES PROCESSING DELAYS  
[Aff. ¶ 145-46]
- MANUAL PROCESSING PRODUCES ERRORS  
[Aff. ¶ 140-41; Att. 44, 47]

## **IMPROPER PROCESSING OF ORDERS**

- DOUBLE BILLING PROBLEMS  
[Aff. ¶ 187-202; Att. 59, 63, 64]
- RSID REJECTS  
[Aff. ¶ 164-67]

# Michigan: Order Processing - Ave. Days to Complete/Reject by Complete Week

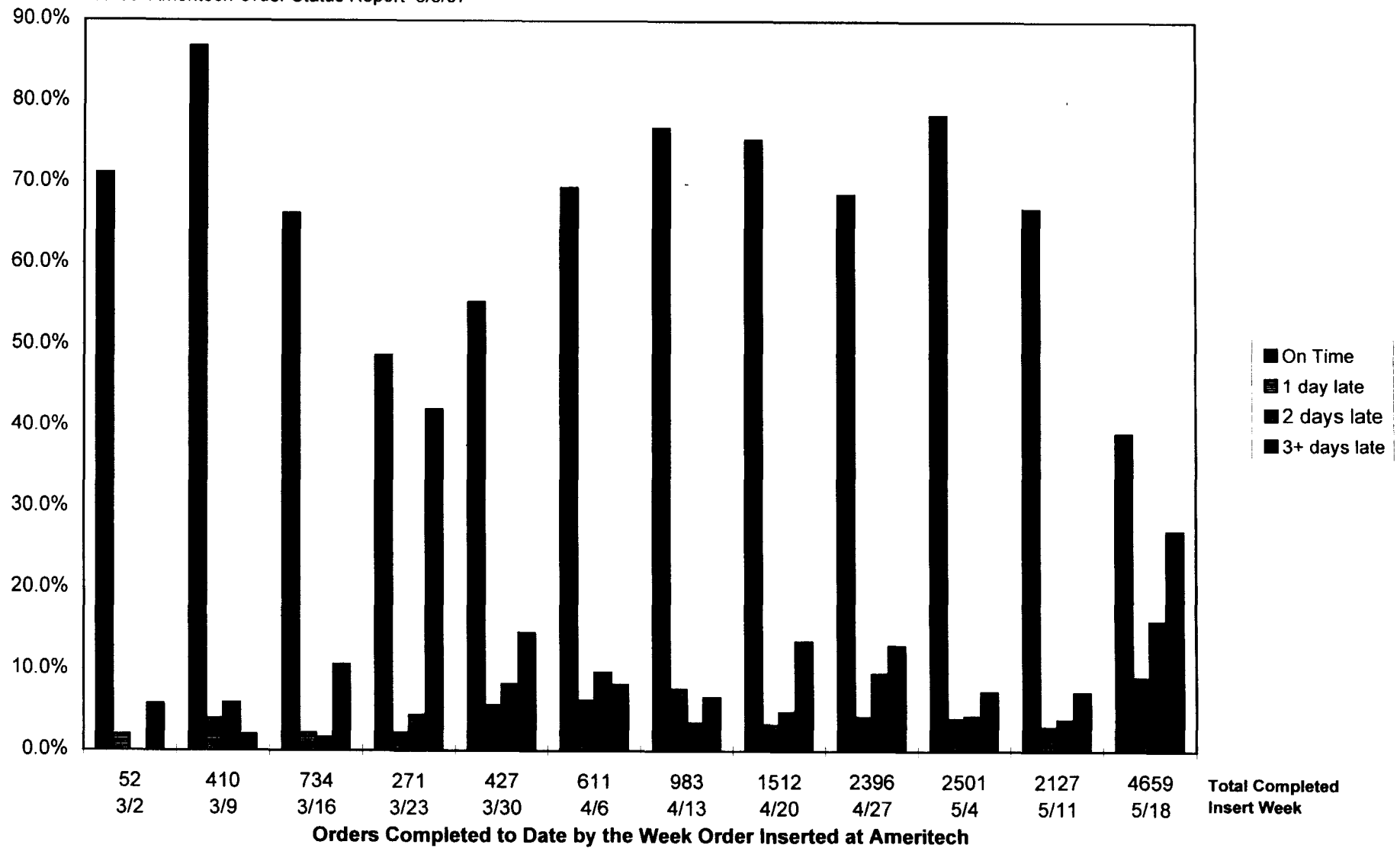
Source: Ameritech Order Status Report 6/5/97





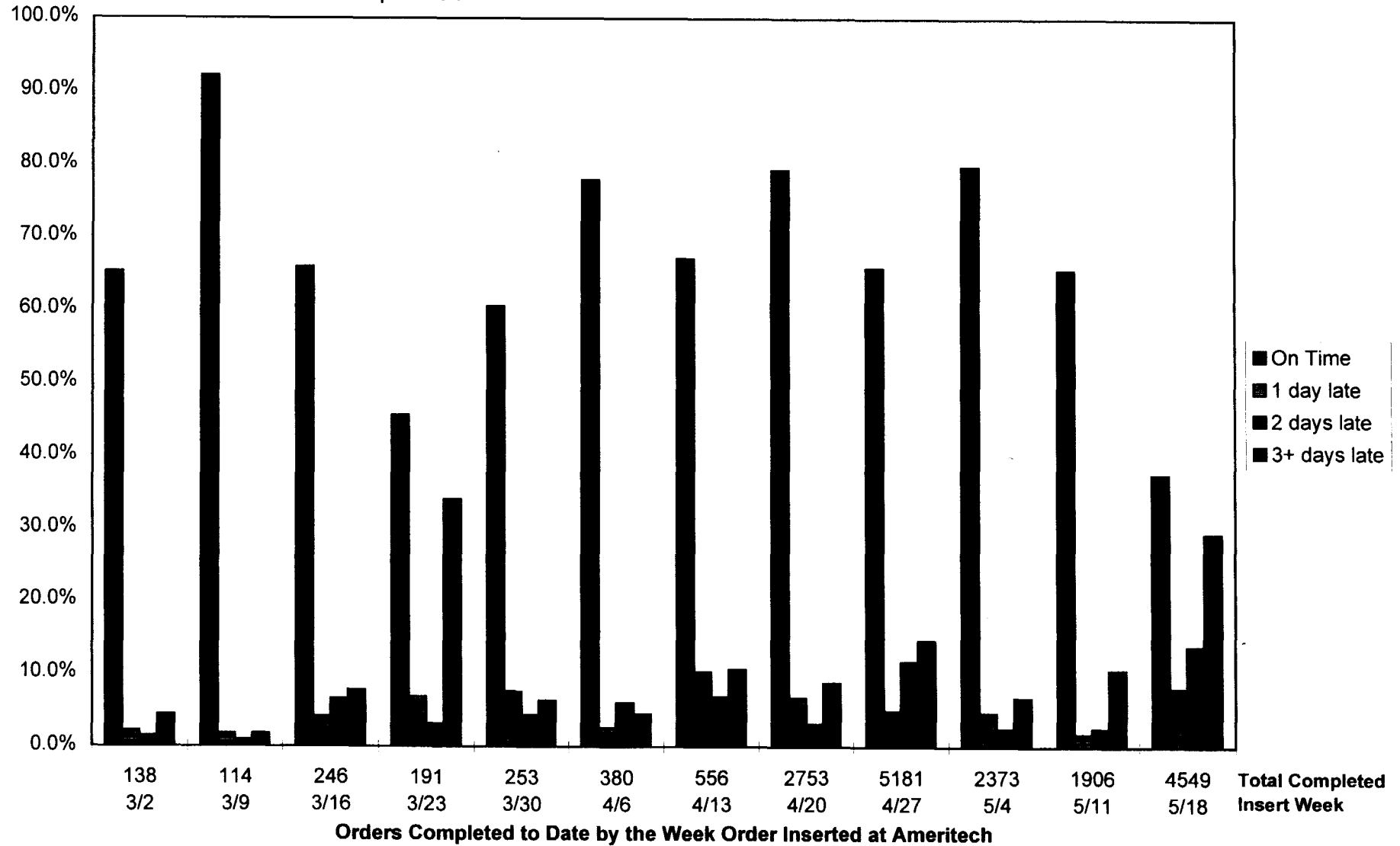
## Michigan: Orders Completed after the AT&T Requested Due Date\* - Percent

Source: Ameritech Order Status Report 6/5/97



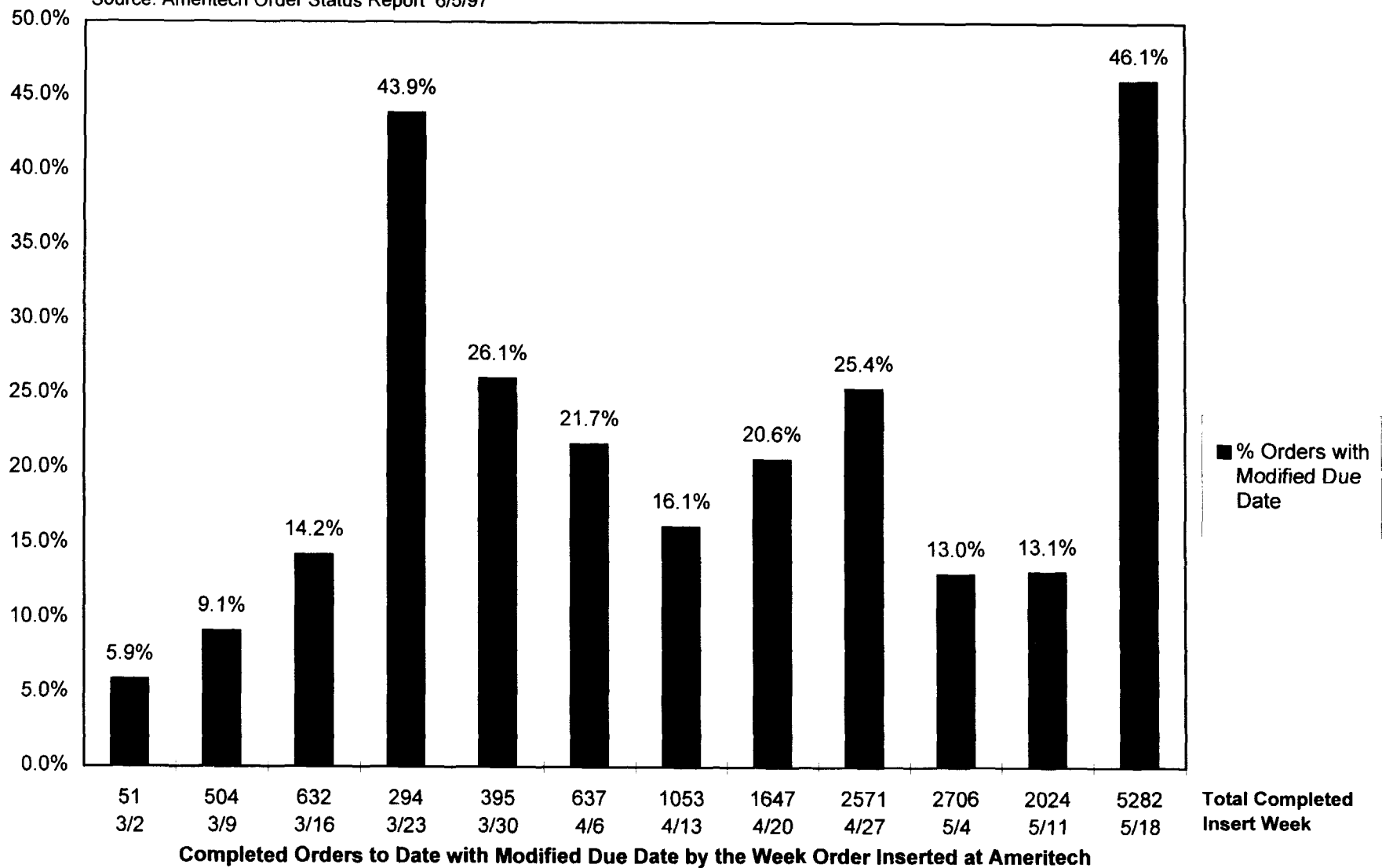
## Illinois: Orders Completed after the AT&T Requested Due Date\* - Percent

Source: Ameritech Order Status Report 6/5/97



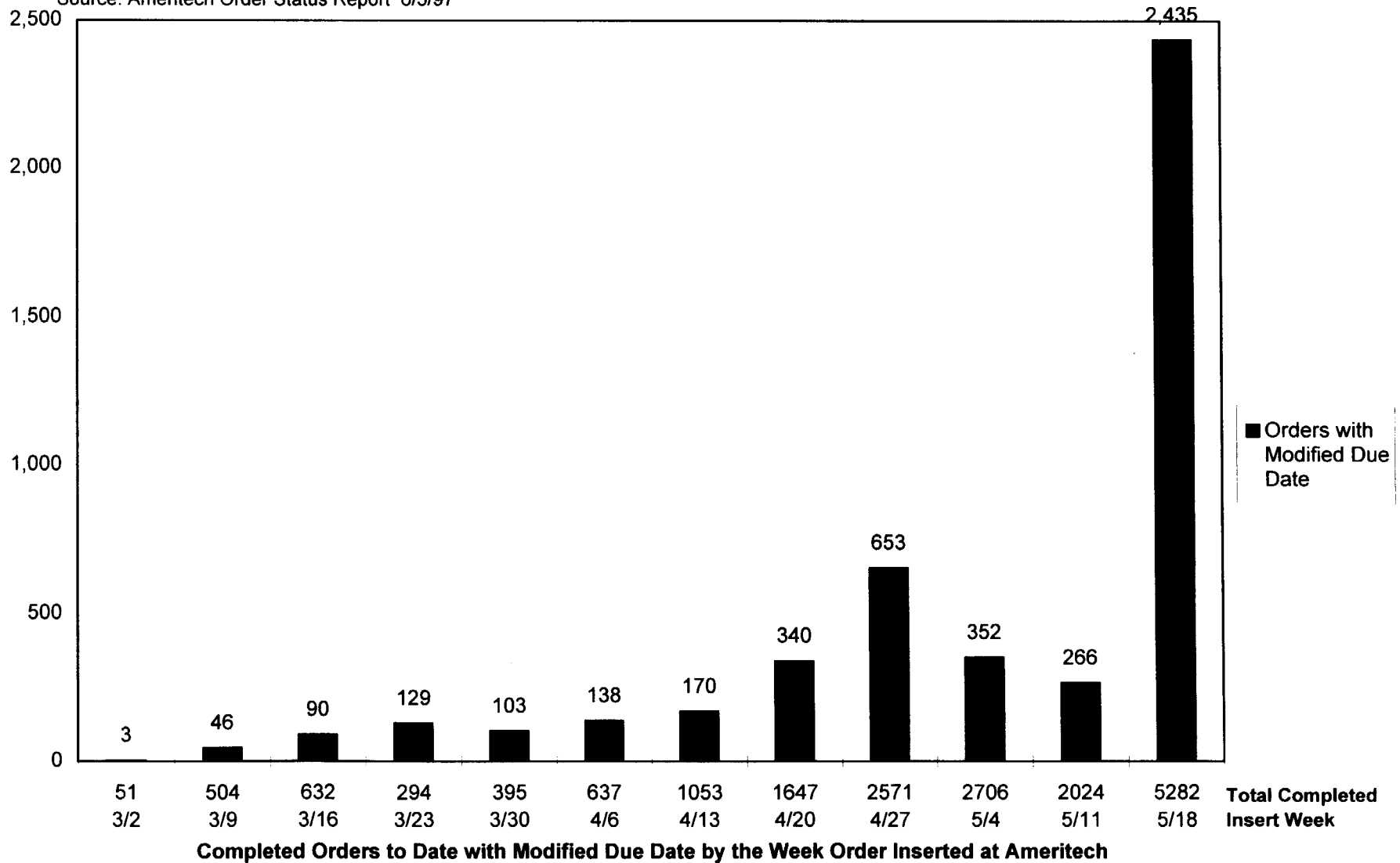
## Michigan: Percent of Orders with an Ameritech Modified Committed Due Date

Source: Ameritech Order Status Report 6/5/97



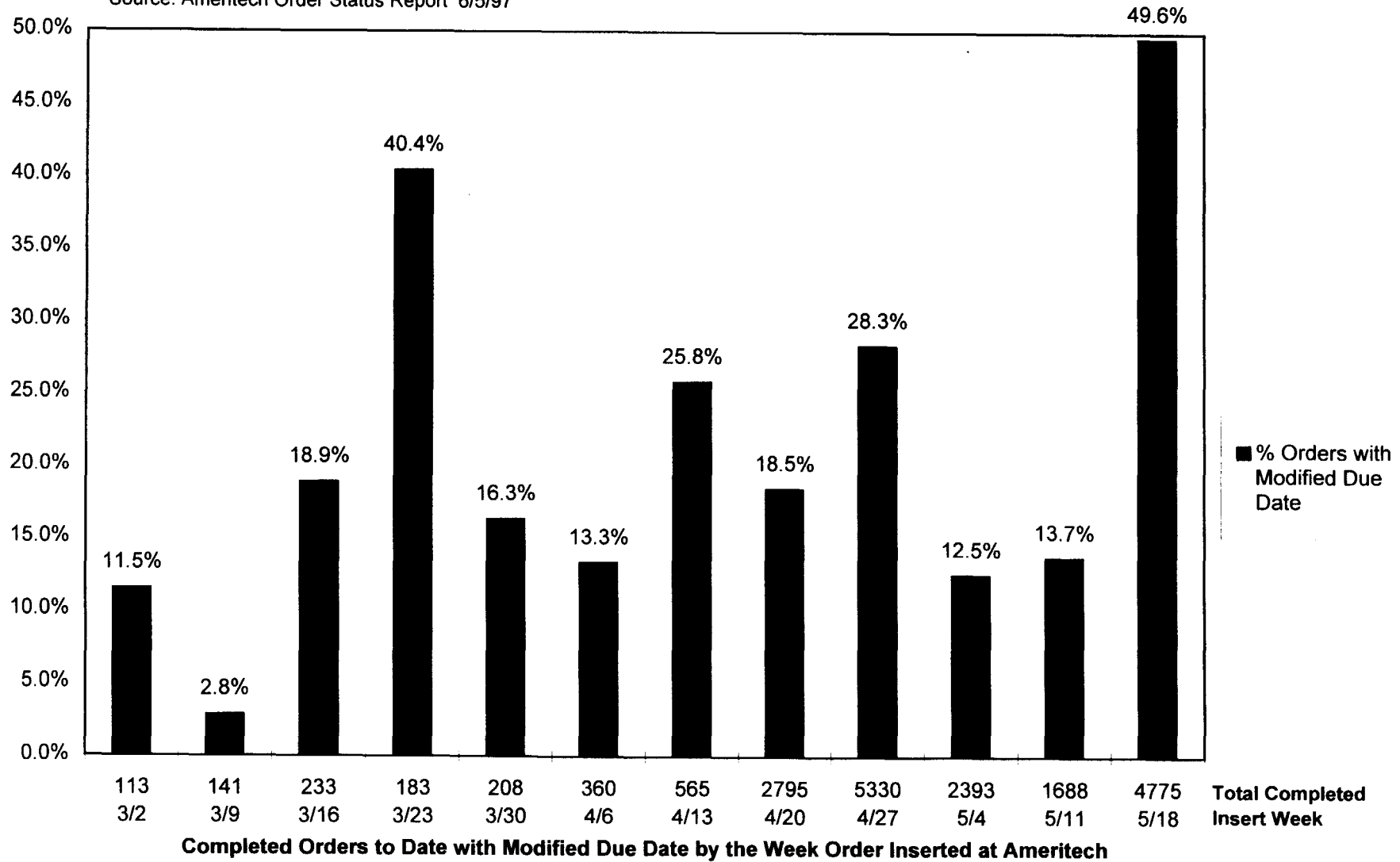
## Michigan: Volume of Orders with an Ameritech Modified Committed Due Date

Source: Ameritech Order Status Report 6/5/97



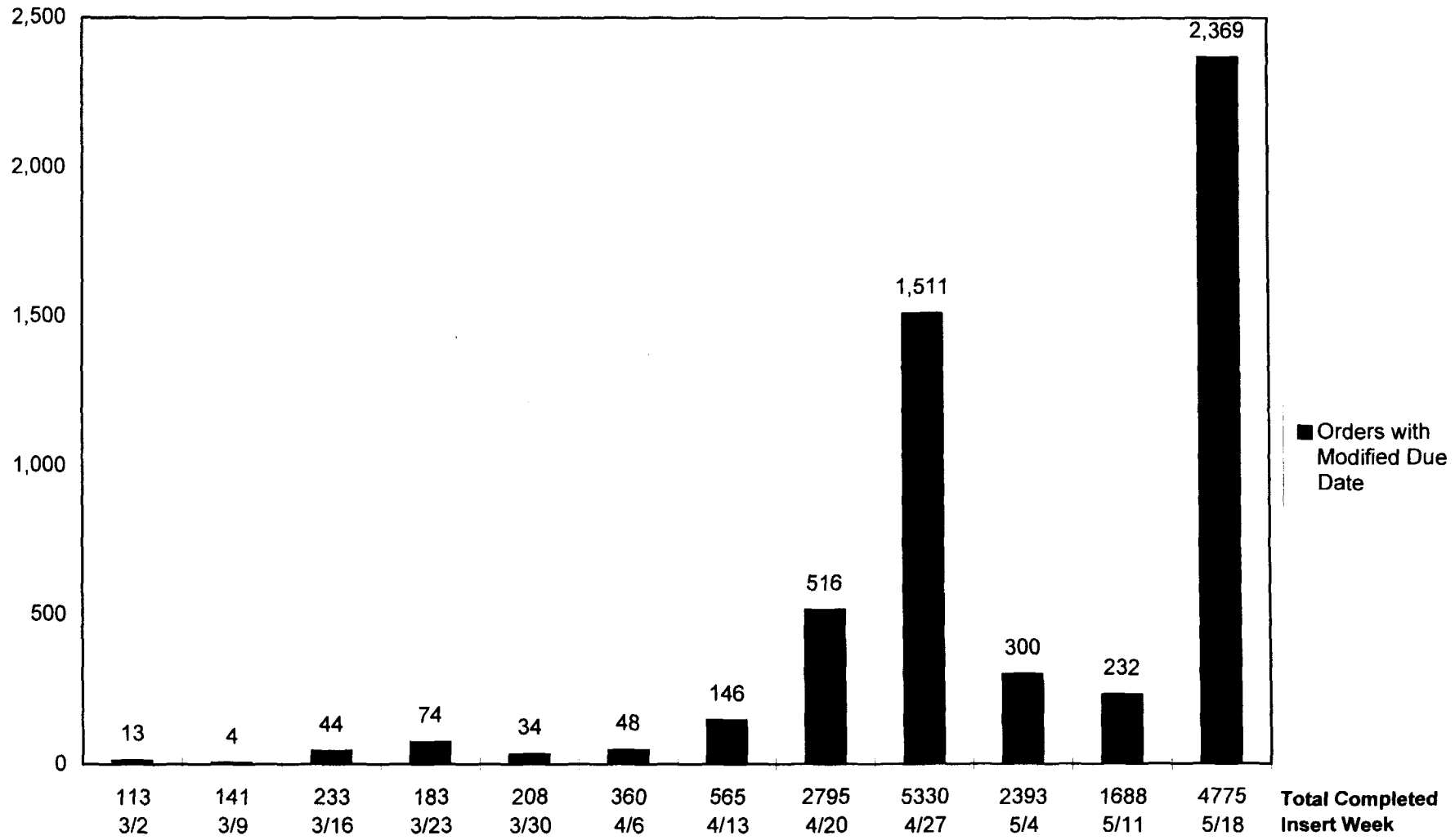
## Illinois: Percent of Orders with an Ameritech Modified Committed Due Date

Source: Ameritech Order Status Report 6/5/97



## Illinois: Volume of Orders with an Ameritech Modified Committed Due Date

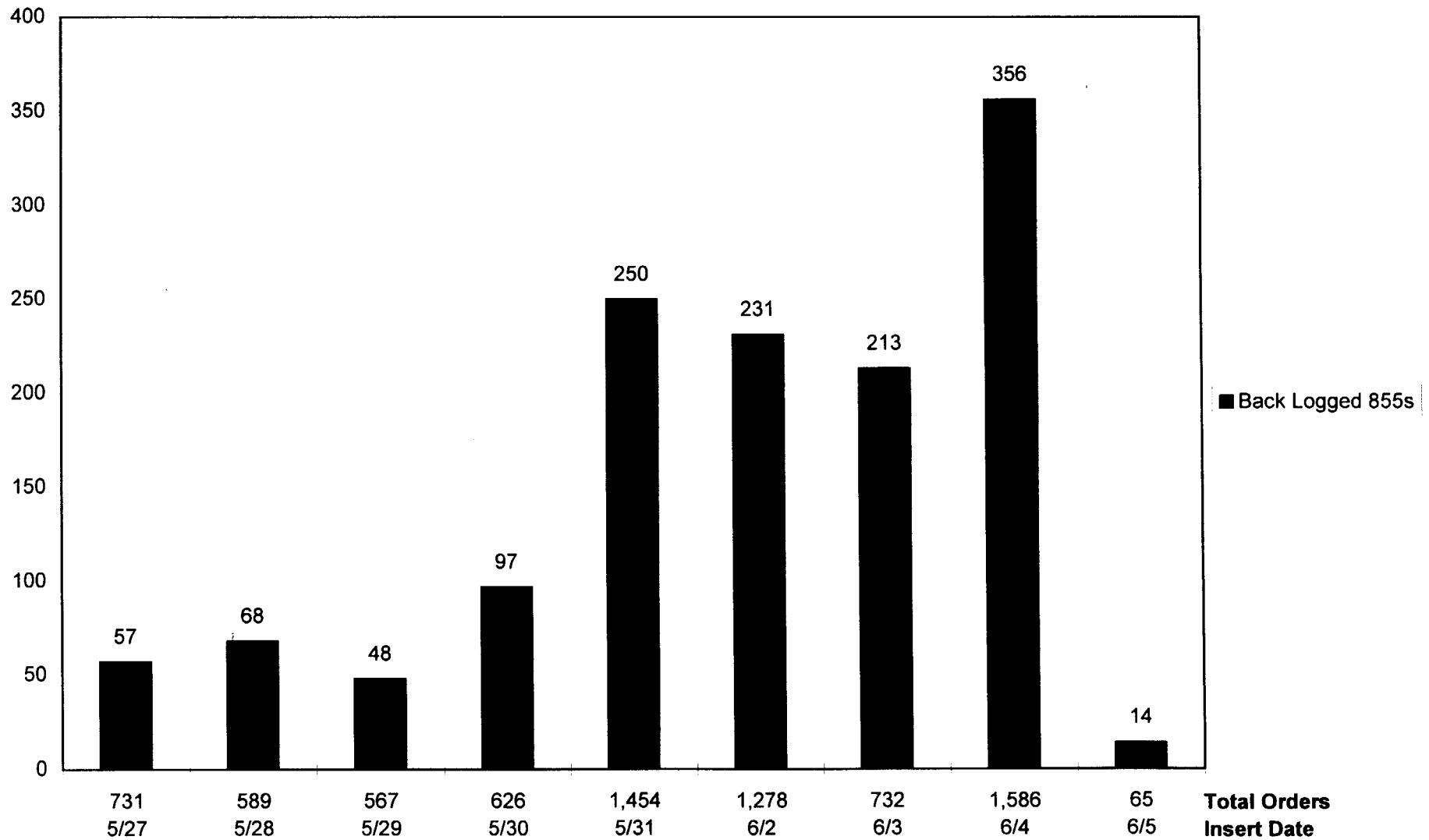
Source: Ameritech Order Status Report 6/5/97



Completed Orders to Date with Modified Due Date by the Week Order Inserted at Ameritech

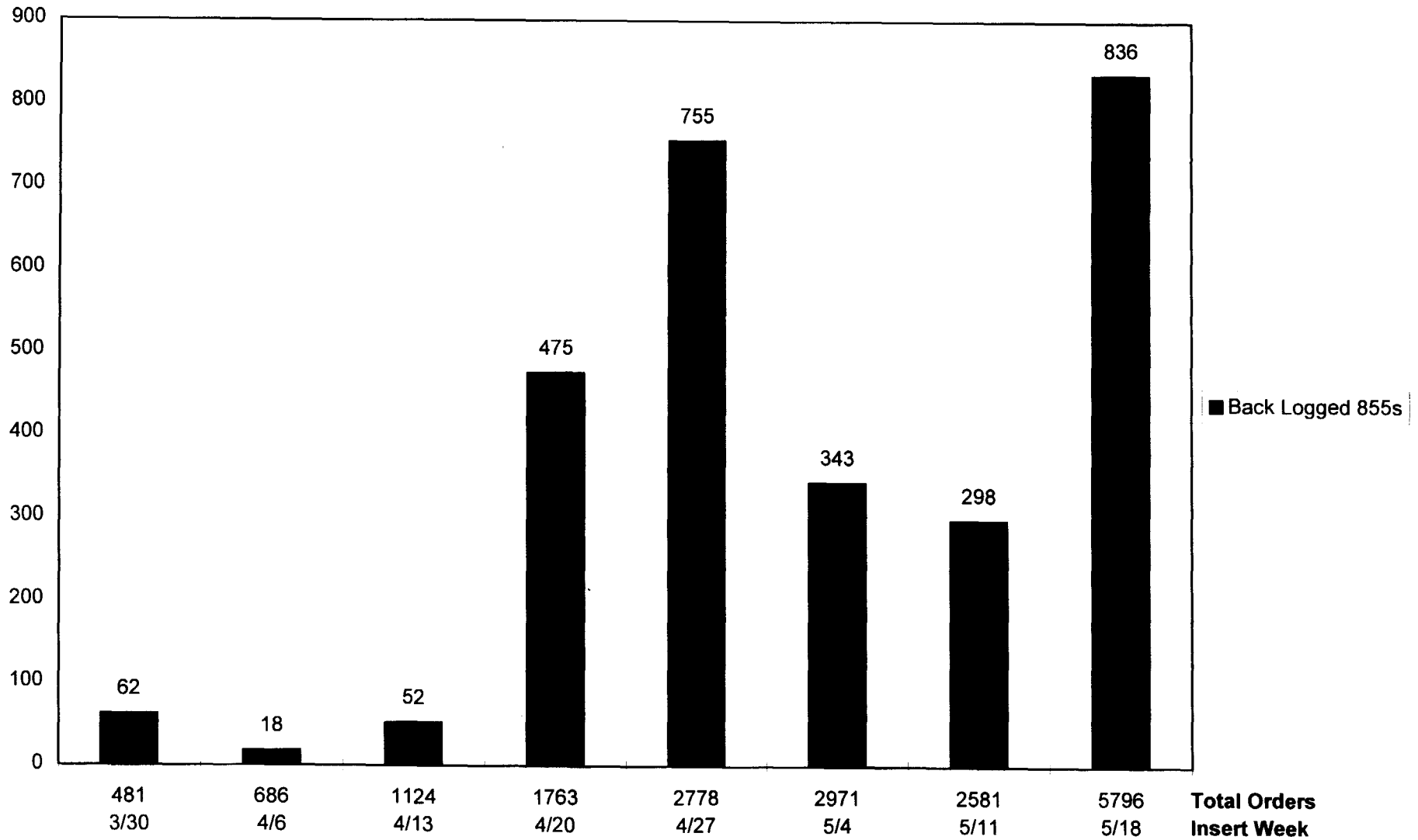
## Illinois: Back Logged 855's for Previous 10 Insert Days

Source: Ameritech Order Status Report 6/5/97



## Michigan: Back Logged 855's Historical View by Insert Week

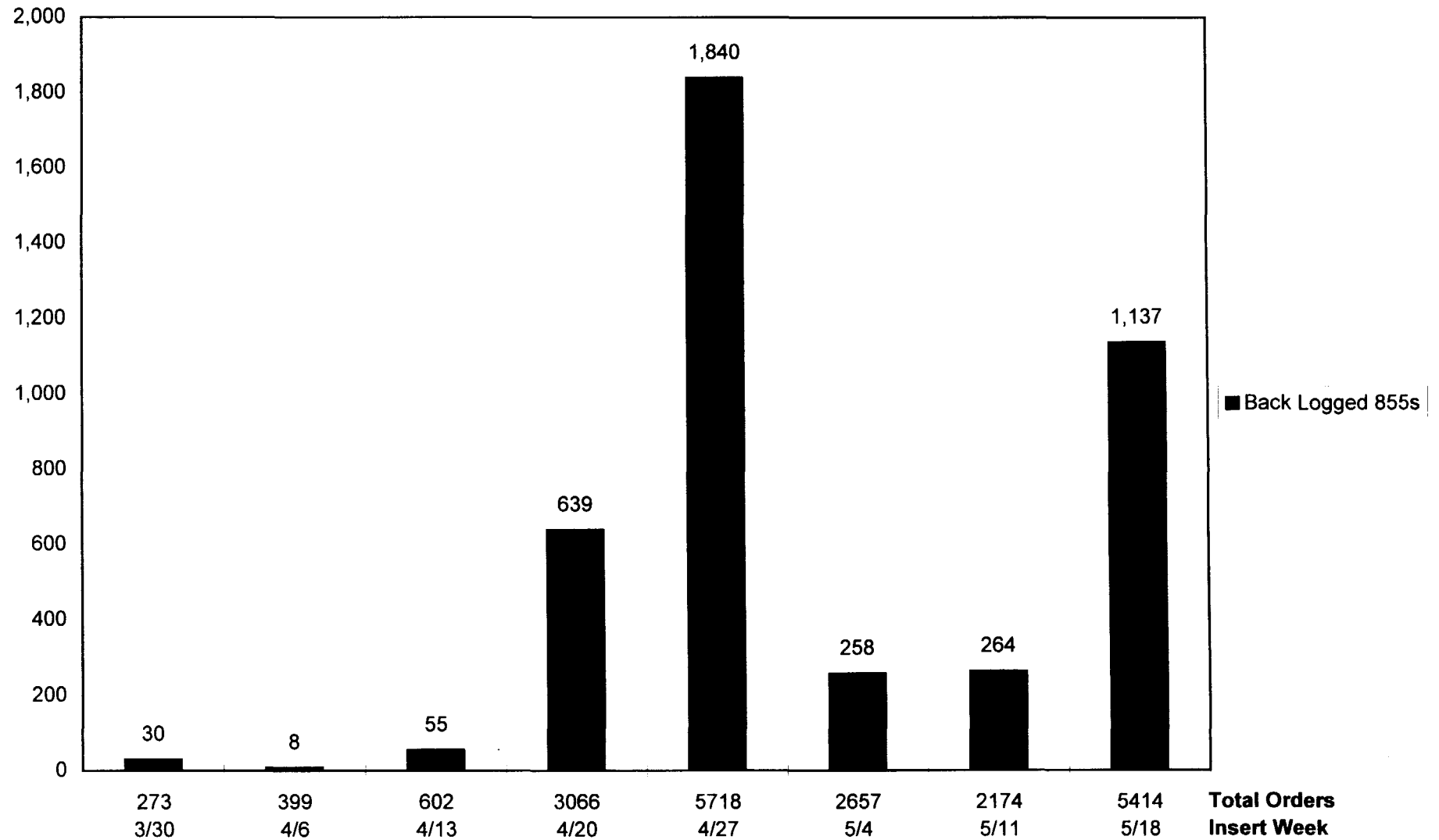
Source: Ameritech Order Status Reports from the Tuesday or Wednesday of the following week





## Illinois: Back Logged 855's Historical View by Insert Week

Source: Ameritech Order Status Reports from Tuesday or Wednesday of following week



ATT/Ameritech  
Service Readiness Testing  
Order Processing Summary  
Order Processing Status

	For the week ending 4/25/97 (4/24 Report)			<u>To Date</u>	
Illinois					
Completed	282	15.1%	2112	53.0%	
Rejected	21	1.1%	229	5.7%	
Pending	1570	83.8%	1645	41.3%	
Total Orders	1873	100.0%	3986	100.0%	
Michigan					
Completed	53	4.7%	3882	67.2%	
Rejected	46	4.1%	702	12.2%	
Pending	1018	91.1%	1192	20.6%	
Total Orders	1117	100.0%	5776	100.0%	

**355 Response Times Illinois**

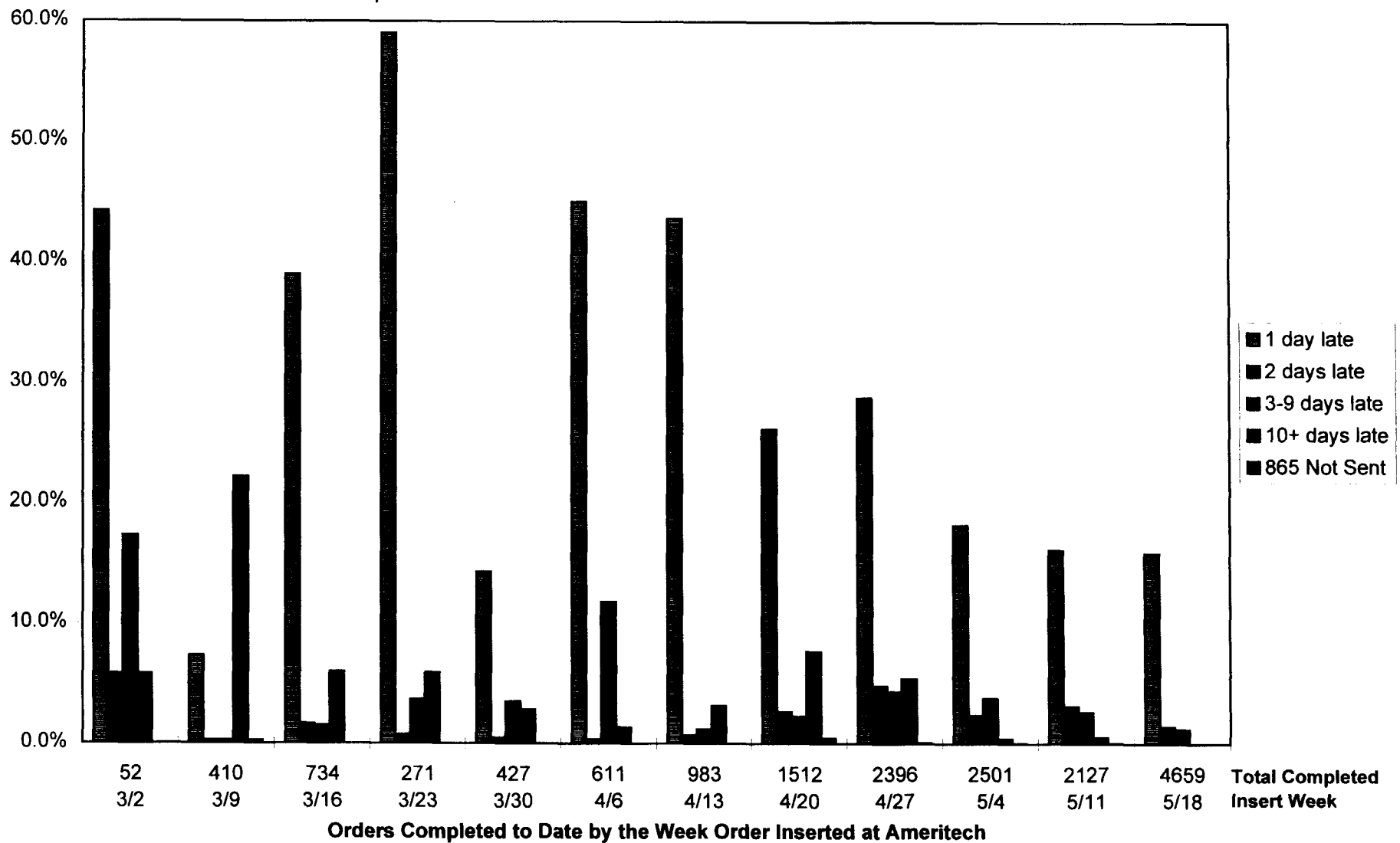
Process		<=2	%	>2<=24	%	>24	%	Total
Order Status								
Pending	Auto	316	47.8%	340	51.4%	5	0.8%	661
Pending	Manual	10	18.9%	2	3.8%	41	77.4%	53
Rejected	Auto	2	28.6%	5	71.4%	0	0.0%	7
Rejected	Manual	0	0.0%	1	6.3%	15	93.8%	16
Complete	Auto	90	51.7%	78	44.8%	6	3.4%	174
Complete	Manual	43	39.4%	6	5.5%	60	55.0%	109

**55 Response Times Michigan**

Process		<=2	%	>2<=24	%	>24	%	Total
Order Status								
Pending	Auto	211	43.8%	265	55.0%	6	1.2%	482
Pending	Manual	3	13.0%	0	0.0%	20	87.0%	23
Rejected	Auto	6	75.0%	2	25.0%	0	0.0%	8
Rejected	Manual	0	0.0%	1	2.6%	37	97.4%	38
Complete	Auto	25	41.7%	30	50.0%	5	8.3%	60
Complete	Manual	16	29.6%	8	14.8%	30	55.6%	54

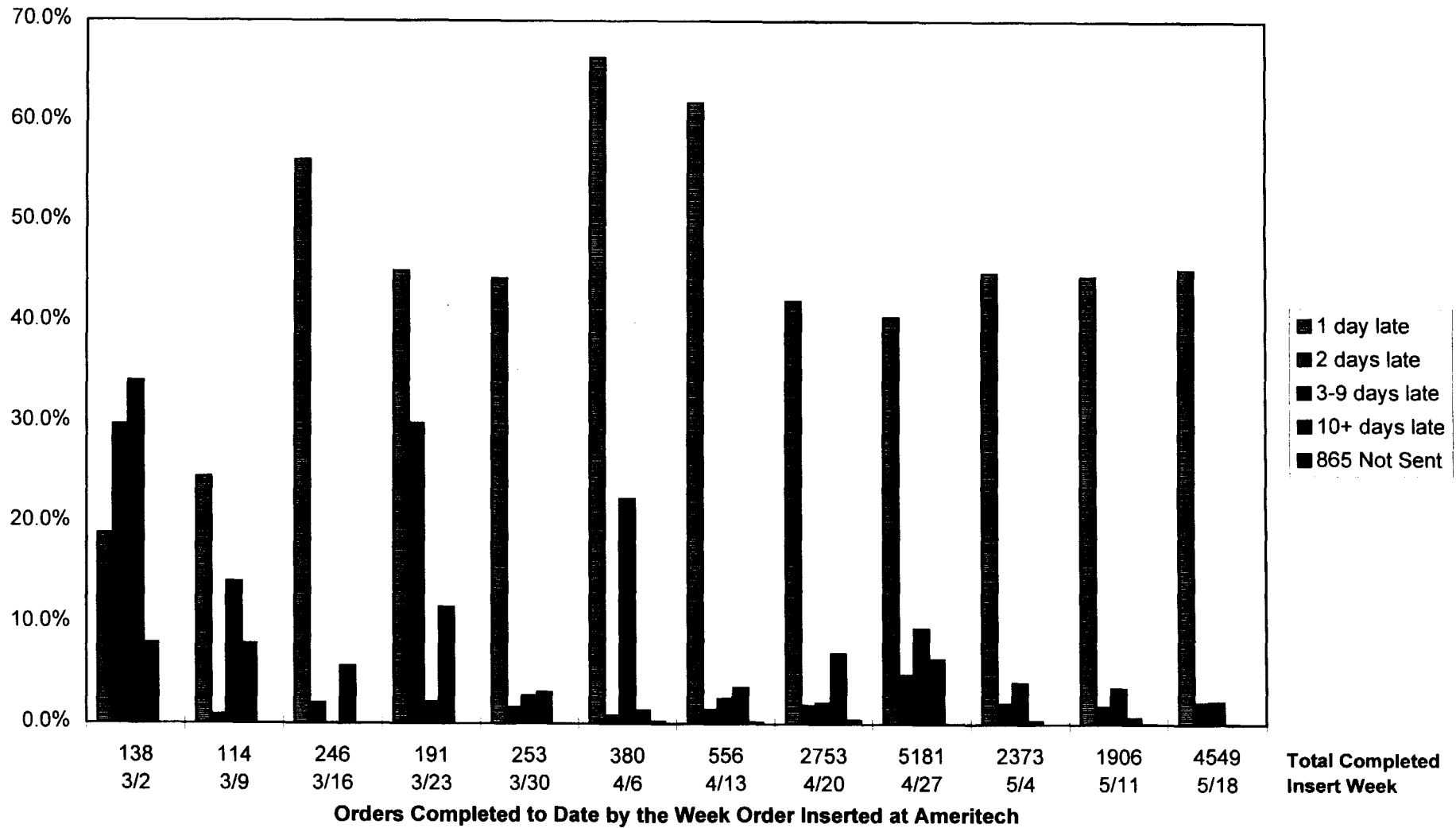
## Michigan: Late Notification of Orders Completed by Percent (Late 865s)

Source: Ameritech Order Status Report 6/5/97



## Illinois: Late Notification of Orders Completed by Percent (Late 865s)

Source: Ameritech Order Status Report 6/5/97



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**AFFIDAVIT OF SUSAN L.Z. BRYANT**

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81. Ameritech fared no better in Illinois. Of the 18,954 orders completed by Ameritech in Illinois from January 5 to May 22, 1997, Ameritech missed AT&T's requested due date for 5,479, or 29%, of AT&T's total orders. *See Attachment 18.* I find these numbers shocking in light of the fact that Ameritech misses only 1% of the due dates on its own retail orders. *See Mickens Affidavit, ¶ 51.*

82. Each of the orders that Ameritech fails to complete by AT&T's requested due date represents an AT&T customer who is not receiving his service as promised. And, as AT&T's order volumes have increased, so has the number of customers who have been adversely affected by Ameritech's failure to satisfy its due date commitments. Moreover, a number of these late orders are not "near misses," but instead are late by several days or, in some cases, even weeks. In Michigan, Ameritech missed AT&T's requested due date by three or more days for 2,527 orders, or 15% of the total orders completed during that period. *See Attachment 17.* In Illinois, Ameritech missed AT&T's requested due date by three or more days for 2,888 orders, or 15% of the total orders completed during that period. *See Attachment 18.* These numbers are significantly different than those contained in Mr. Mickens' Affidavit, a subject which I address later.

83. In addition, this due date performance does not take into consideration orders that remain pending. Pending orders are directly relevant in assessing Ameritech's ability to meet its due date commitments, for several reasons. First, a substantial number of AT&T's orders that are pending at Ameritech are already *past-due*. Thus, these orders are

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**AFFIDAVIT OF SUSAN L.Z. BRYANT**

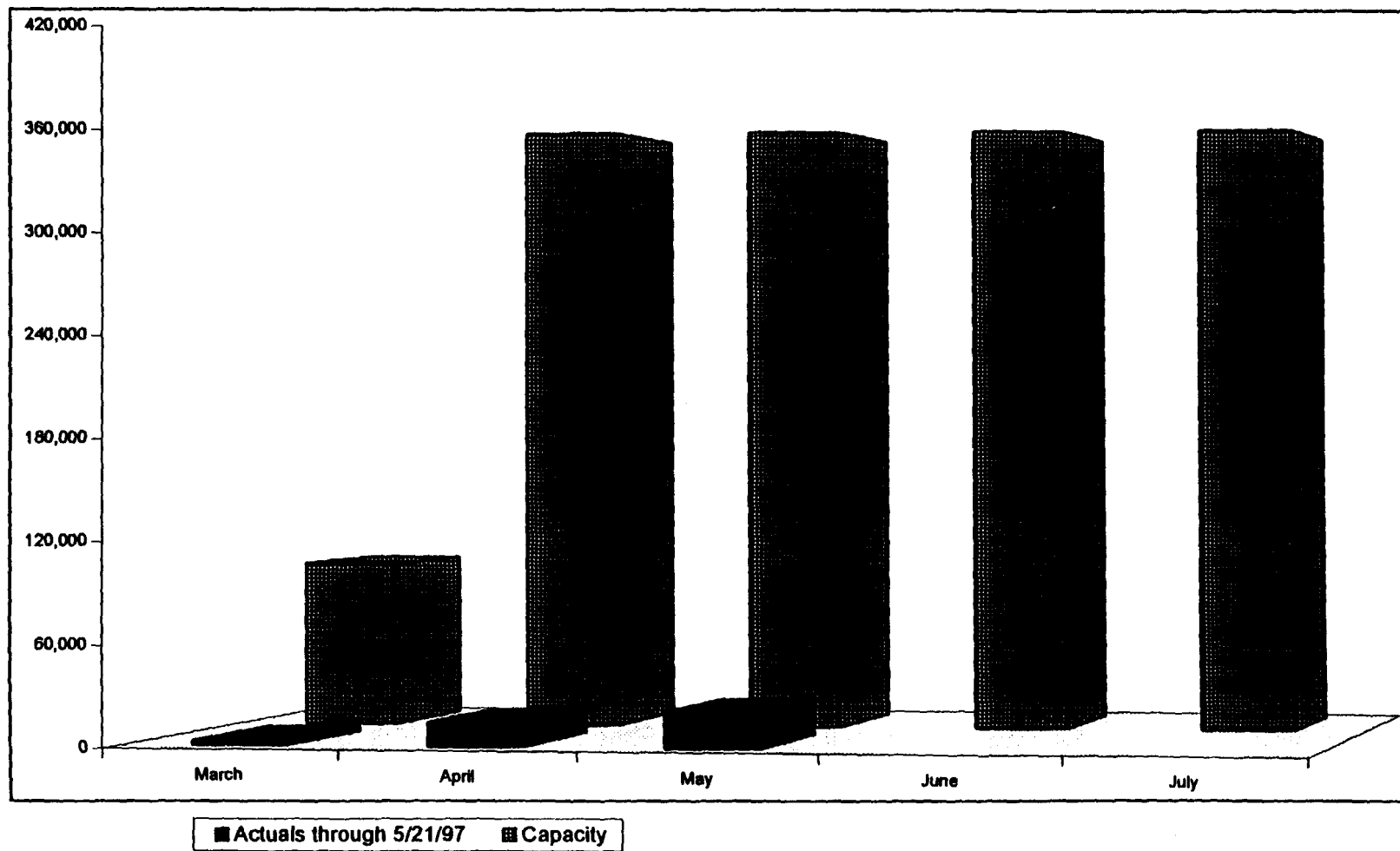
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already late even though they have not yet been completed. As of May 27, 1997, of the 3,226 total Michigan orders reported as pending by Ameritech at that time, 959 of those orders, or nearly 30%, were already past due. And, of the 3,422 total Illinois orders reported as pending by Ameritech as of May 27, 1997, 1,478 of those orders, or 43%, were past due.

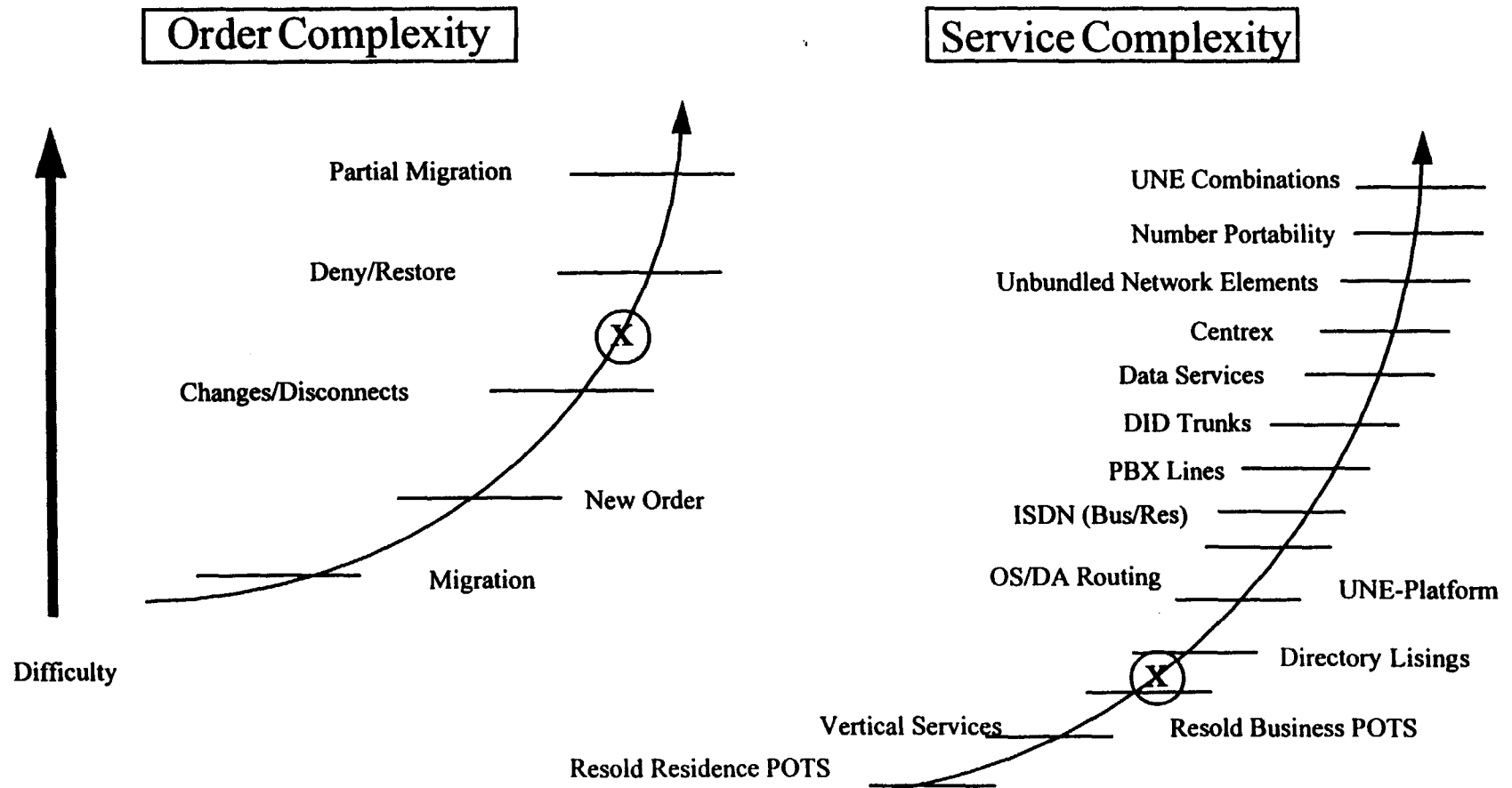
84. The substantial increase in pending past-due orders that Ameritech has recently experienced gives AT&T significant concern that Ameritech's systems and processes are unable to perform promptly and reliably when confronted with volumes of simple orders barely approaching commercial levels. During the month of April, AT&T substantially increased its order volumes in both Michigan and Illinois. In Michigan, order volumes increased from 1,124 orders the week of April 13, to 1,763 orders the week of April 20, and to 2,778 orders the week of April 27. *See Attachment 19.* In Illinois, order volumes increased from 602 orders the week of April 13, to 3,066 orders the week of April 20, and to 5,718 orders the week of April 27. *See Attachment 20.* This trend continued in May, when AT&T's Michigan order volumes went from 2,971 orders the week of May 4, to 2,581 the week of May 11, and to 5,796 orders the week of May 18.

85. With AT&T's increase in order volume, there has been a corresponding increase in pending past-due orders. As shown above, this problem continues to the present. Because these pending past-due order backlogs have occurred in conjunction with AT&T's increased order volumes, AT&T is understandably concerned that Ameritech's systems and personnel are incapable of handling commercially reasonable order volumes.

AT&T Ordering Volumes v. Ameritech Stated Capacity



## 2 LEVELS OF COMPLEXITY





# **AMERITECH'S OPERATIONS SUPPORT SYSTEMS ARE NOT OPERATIONALLY READY TO SUPPORT COMPETITIVE CLEC ACTIVITIES**

## **CURRENT MARKET ENTRY LIMITATIONS**

- AT&T's orders are exclusively resale residential POTS
  - 96% simple migration / 4% new services or additional lines
  - no complex products or services
  - restricted marketing approaches
  - expansion plans have been consistently postponed
- AT&T cannot currently order the UNE-Platform
  - AT&T's preferred market entry strategy
  - formal ordering specifications not yet available
  - preliminary testing has revealed additional problems
- Current performance data demonstrates
  - lack of stability and predictability in processing
  - unreasonable processing delays
  - unreliable processing results